

**A Lee Chye Yen & Anor (t/a 'Ebiz Solution Network') v EoneNet
Com Sdn Bhd**

B COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO
W-02(IPCV)(W)-203-01 OF 2013
RAMLY ALI, MOHTARUDIN BAKI AND LIM YEE LAN JJCA
21 JUNE 2013

C *Civil Procedure — Affidavit — Statutory declaration ('SD') — Exhibits
— Exhibits to SD not endorsed by commissioner for oath — Whether exhibits
annexed invalid and inadmissible as evidence — Rules of Court 2012 O 41
r 11(2)*

D *Copyright — Infringement — Teaching and course materials — Whether
ownership of copyright proven — Whether claim dismissed — Copyright Act
1987 s 42(1)*

E *Copyright — Ownership — Ownership of copyright — Teaching and course
materials — Pre-conditions for admission of statutory declaration as evidence of
copyright ownership — True copy of works not annexed to statutory declaration
— Statutory declaration not properly admitted as evidence — Whether
ownership of copyright established — Copyright Act 1987 s 42(1)*

G The respondent/plaintiff claimed that it was one of the pioneers in Internet Marketing Seminar and Internet Marketing Coaching in Malaysia and Hong Kong. The appellants/defendants were partners of Ebiz Solution Network ('Ebiz'). The respondent claimed that one Fione Tan (PW1) and one Harrace Lau had since 2003 co-authored and co-written a large number of materials for their internet marketing seminars and coaching programs in the course of their employment with the respondent. Around September 2011, it had come to the respondent's knowledge that Ebiz had published an advertisement offering internet marketing seminars and coaching with similar modules and materials as that being used by the respondent. The respondent claimed that the appellants were ex-students of its internet seminars and coaching course in 2010. The respondent claimed that the appellants had infringed its copyright works in respect of the said teaching and course materials. To establish that it was the owner of the copyright works, the respondent relied on a statutory declaration ('the SD') affirmed by PW1 pursuant to s 42 of the Copyright Act 1987 ('the Act'). In the said SD, PW1 affirmed that she and Harrace Lau had co-authored the respondent's course and teaching materials and that they had assigned the ownership of the copyright works to the respondent. The

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Held, allowing the appeal with costs:

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- A (5) The failure to comply with the prerequisite of s 42(1)(a)(iii) rendered the affidavit or SD defective and invalid for the purpose of s 42. Therefore there was no prima facie evidence to show that the respondent was the owner of the copyright works. The learned judge had erred in her decision to admit the SD under s 42 of the Act and to allow the
- B respondent's claim against the appellants (see para 22).

[Bahasa Malaysia summary]

- C Responden/plaintif mendakwa bahawa ia adalah salah satu daripada perintis dalam Seminar Latihan Pemasaran Internet dan Pemasaran Internet di Malaysia dan Hong Kong. Perayu/defendan adalah rakan kongsi di dalam Ebiz Solution Network ('Ebiz'). Responden mendakwa bahawa Fione Tan (PW1) dan Harrace Lau telah sejak tahun 2003 bersama mengarang dan bersama menulis sejumlah besar bahan-bahan untuk seminar pemasaran internet mereka dan program-program latihan dalam masa penggajian pekerja mereka dengan responden. Sekitar September 2011, ia telah sampai kepada pengetahuan responden yang Ebiz telah menerbitkan iklan menawarkan seminar pemasaran Internet dan bimbingan dengan modul yang sama dan bahan-bahan seperti yang digunakan oleh responden. Responden mendakwa
- D bahawa perayu adalah bekas pelajar seminar internet dan kursus kejurulatihan pada tahun 2010. Responden mendakwa bahawa perayu telah melanggar hak cipta kerja-kerja berkenaan dengan bahan-bahan pengajaran dan kursus berkata. Untuk mewujudkan bahawa ia adalah pemilik karya hak cipta, responden bergantung kepada suatu akuan berkanun ('SD') disahkan oleh
- E PW1 menurut s 42 Akta Hak Cipta 1987 ('Akta'). Dalam SD tersebut, PW1 mengesahkan bahawa dia dan Harrace Lau telah bersama-mengarang kursus responden dan bahan-bahan pengajaran dan bahawa mereka telah diberikan milik hak cipta kerja-kerja kepada responden. Perayu menegaskan bahawa kerja-kerja hak cipta responden tidak asli dan tidak mampu berlandung di
- F bawah Akta. Perayu berhujah bahawa SD tersebut adalah cacat dan tidak boleh diterima sebagai keterangan. Yang Arif hakim bicara membenarkan tuntutan responden selepas mendapati bahawa responden adalah pemilik hak cipta kerja-kerja tersebut dan bahawa perayu telah melanggar hasil kerja tersebut. Perayu membuat rayuan terhadap keputusan itu.

- H **Diputuskan,** membenarkan rayuan dengan kos:

- I (1) Seksyen 42 Akta menggariskan prasyarat bagi kemasukan suatu akuan berkanun sebagai keterangan prima facie untuk menyokong tuntutan yang plaintif untuk pemilikan hak cipta. Salah seorang daripada mereka, sebagaimana yang diperuntukkan di bawah s 42(1)(a)(iii), mestilah melampirkan suatu salinan benar kerja-kerja kepada akuan berkanun. Hanya dengan memenuhi syarat, (bersama-sama dengan syarat-syarat (i) dan (ii) daripadanya), responden boleh membuat tuntutan pemilikan kepada kerja-kerja hak cipta yang berkenaan. Tidak terdapat bukti prima

- facie di sini untuk menunjukkan bahawa responden adalah pemilik hak cipta kerja-kerja pada masa tersebut (lihat perenggan 12–13). A
- (2) Ia adalah wajib bagi responden untuk mengekshibitkan dan melampirkan salinan benar kerja-kerja yang berkenaan untuk SD. Salinan mestilah disahkan sebagai salinan benar kerja-kerja. Deponen tidak menyatakan bahawa salinan kerja-kerja dilampirkan bersama adalah suatu salinan yang benar. Tidak ada petunjuk di SD untuk mengesahkan atau memperakui bahawa salinan kerja-kerja dilampirkan bersama adalah salinan yang benar bagi kerja-kerja yang berkenaan. Kesannya adalah bahawa SD gagal menyakinkan mahkamah bahawa salinan yang dilampirkan adalah salinan yang benar dan bahawa yang kehendaki di bawah s 42(1)(a) (iii) Akta telah dipatuhi (lihat perenggan 17). B C
- (3) Mahkamah ditinggalkan dalam keraguan tentang kebenaran salinan kerja-kerja yang dilampirkan. Lebih-lebih lagi apabila semua ekshibit dilampirkan atau diekshibitkan kepada SD itu tidak mempunyai pengesahan atau pensijilan oleh pesuruhjaya sumpah. Akuan berkanun adalah sama dengan affidavit yang mana dalam kedua-dua dokumen ditadbir bersumpah; oleh itu menurut kuasa sumpah semua ekshibit, diekshibitkan atau dilampirkan pada dokumen mesti dikenal pasti dan ditandakan oleh pesuruhjaya sumpah sebagai ekshibit deklarasi berkenaan. Kegagalan mematuhi A 41 k 11(2) Kaedah-Kaedah Mahkamah 2012 boleh membawa kepada ekshibit dilampirkan sebagai tidak sah dan tidak boleh diterima sebagai keterangan. Ekshibit tersebut tidak boleh menjadi sebahagian daripada akuan berkanun (lihat perenggan 18). D E F
- (4) SD dan salinan daripada kerja-kerja hak cipta dilampirkan bersama telah diletakkan di Bahagian C dalam ikatan dokumen. Dokumen tidak pun ditender dan dikemukakan di mahkamah apabila pembuat atau deponen (PW1) memberikan keterangan di mahkamah. Mereka kekal sebagai dokumen yang dipertikaikan dalam Bahagian C dalam ikatan dokumen sehingga akhir perbicaraan itu (lihat perenggan 19). G
- (5) Kegagalan untuk mematuhi prasyarat s 42(1)(a)(iii) menjadikan affidavit atau SD cacat dan tidak sah untuk tujuan s 42. Oleh itu terdapat bukti prima facie untuk menunjukkan bahawa responden adalah pemilik hak cipta kerja-kerja. Yang Arif hakim telah terkhilaf dalam keputusannya untuk menerima SD di bawah s 42 Akta dan membenarkan tuntutan responden terhadap perayu (lihat perenggan 22).] H I

Notes

For a case on ownership of copyright, see 3(3) *Mallal's Digest* (4th Ed, 2013 Reissue) para 7074.

A Cases referred to

Navi & Map Sdn Bhd v Twinice Sdn Bhd & Ors [2010] MLJU 1210; [2011] 7 CLJ 764, HC (folld)

Ultra Dimension Sdn Bhd v Ketua Pengarah, Lembaga Penggalakan Pelancongan Malaysia & Ors [2010] 8 CLJ 245, HC (folld)

B**Legislation referred to**

Copyright Act 1987 s 42, 42(1)(a)(i), (ii), (iii), (2)

Rules of Court 2012 O 41 r 11(2)

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Appeal from: Suit No 22 IP-12-02 of 2012 (High Court, Kuala Lumpur)

Amritpal Singh (Amritpal Singh) for the appellants.

Steven Cheok Hou Cher (Sri Sarguna Raj with him) (Kandiah & Sri) for the respondent.

D**Ramly Ali JCA (delivering judgment of the court):****E**

[1] This is an appeal against the decision of the learned High Court judge dated 31 December 2012, after full trial, whereby the respondent's claim for infringement of copyright works against the appellants (the defendants) was allowed with costs.

FACTS OF THE CASE**F**

[2] The respondent (the plaintiff) at all material times, was a company incorporated in Malaysia on 20 October 1999. The respondent claimed that it was one of the pioneers in Internet Marketing Seminar and Internet Marketing Coaching in Malaysia and Hong Kong and was also an expert in search engine optimisation.

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[3] The first and second appellants (the defendants) are sisters, and also partners of a business known as Ebiz Solution Network with an address at Bandar Bukit Tinggi in Klang, Selangor.

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[4] The respondent's case rests on its claim that one Ms Fione Tan ('PW1'), the respondent's Chief Operating Officer and her partner, one Harrace Lau Hock Chung, have since 2003 co-authored and co-written a large number of materials for their internet marketing seminars and coaching programs in the course of their employment with the respondent. The respondent claimed that the materials, information and method used in the seminars and courses are the result of effort and skill of the respondent. The respondent also claimed that it owns rights over all creations by One Net Com Sdn Bhd and had declared its

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ownership on all course documents, DVDs, printed materials, audio, video and all information related to the company. A

[5] The respondent further claimed that on or around September 2011, it had come to its knowledge that one Ebiz Solution Network had published an advertisement in a local Chinese daily offering internet marketing seminars and coaching with similar modules and materials as that being used by respondent. The respondent claimed that the appellants (as partners in the said Ebiz Solution Network) were ex-students of its internet seminars and coaching course in 2010. The respondent claimed that the appellants have infringed its copyright works in respect of the said teaching and course materials. B C

[6] The appellants on the other hand refuted the respondent's claim and contended that the respondent copyright works are not original and are not capable of protection under the Copyright Act 1987 ('the Act'). D

[7] The learned judge allowed the respondent's claim after finding, inter alia, that the respondent was the owner of the said copyright works at the material times and the appellants had infringed the said works as alleged by the respondent. The appellants, being dissatisfied with the said decision, filed a notice of appeal. Hence the present appeal before us. E

AT THE COURT OF APPEAL

[8] Before us learned counsel for the appellants submitted, inter alia, that the respondent had failed to establish that it was the owner of the said copyright works and therefore those works are not capable of protection under the Act. The respondent on the other hand submitted that it had proven, on a balance of probabilities, that it owns the copyright in its teaching materials and that the appellants had reproduced substantially its teaching material unlawfully without its consent or authority. F G

[9] To establish that it was the owner of the copyright works, the respondent relied on a statutory declaration dated 15 November 2011 affirmed by one Tan May Yee, the respondent's chief operating officer ('PW1') pursuant to s 42 of the Copyright Act 1987. H

[10] Section 42 of the Act provides:

- (1) An Affidavit, certified extracts of the Register of Copyright referred to in section 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be: I
- (a) the owner of the copyright in any works eligible for copyright under this Act stating that —

- A** (i) at the time specified therein copyright subsisted in such work;
- (ii) he or the person named therein is the owner of the copyright; and
- (iii) a copy of the work annexed thereto is the true copy thereof; or
- B** (b) the performer in a performance eligible for performers' right under this Act stating that —
- (i) at the time specified therein performers' right subsisted in such performance;
- (ii) he or the person named therein is the performer; and
- C** (iii) a copy of the document annexed thereto is the document which proves that he or the person named therein performed in the performance, shall be admissible in evidence in any proceedings under this Act and shall be prima facie evidence of the facts contained therein.
- D** (2) Any person who is authorized to act on behalf of the owner of the copyright or performer for the purposes of subsection (1) shall be required to produce such authorisation in writing.
- E** [11] In the said statutory declaration the deponent (Ms Tan May Yee) affirmed that she and co-founder Mr Harrace Lau had co-authored the respondent's course and teaching materials and that they had assigned the ownership of the copyright works to the respondent.
- F** [12] The appellants contended that the said statutory declaration was defective and could not be admitted as a prima facie evidence on the ground, inter alia, that the original statutory declaration and the exhibits were not produced in court during trial and that the true copy of the copyright works was not annexed to the said statutory declaration.
- G** [13] Section 42 of the Act lays down pre conditions for the admission of a statutory declaration as a prima facie evidence to support a plaintiff's claim for copyright ownership. One of them, as provided under sub-s (1)(a)(iii), is that a true copy of the works must be annexed to the statutory declaration. Only
- H** with the fulfilment of that condition, (together with conditions (i) and (ii) thereof), the respondent can claim ownership to the copyright works in question.
- I** [14] We find substance in the submissions of learned counsel for the appellants to the effect that there is no prima facie evidence to show that the respondent (as the plaintiff at the court below) was the owner of the copyright works at the material time. On this issue, we are in agreement with Azahar Mohamed J (now JCA) in his ruling in *Navi & Map Sdn Bhd v Twinice Sdn Bhd & Ors* [2010] MLJU 1210; [2011] 7 CLJ 764 to the effect that 'section 42's

statutory declaration is a mode of proving ownership of copyright As a statutory aid, it provides a means of proving ownership of the copyright in a work. Failure to fully comply with the pre-requisite of s 42 renders the statutory declaration to be defective and invalid'. A

[15] In an earlier case, *Ultra Dimension Sdn Bhd v Ketua Pengarah, Lembaga Penggalakan Pelancongan Malaysia & Ors* [2010] 8 CLJ 245, His Lordship had expressed the same stand on strict compliance with all the requirements under s 42 of the Act, where it was ruled: B

(1) Section 42 of the Act lays down a pre-condition for the admission of the affidavit, namely, a true copy of the work must be annexed to the affidavit The requirement to annex the photograph to the affidavit is a condition precedent and mandatory; the court will require strict compliance, the failure to comply with the prerequisite of s 42(1)(a) rendered the affidavit defective and invalid. Therefore, there was no prima facie evidence to show that the plaintiff was the copyright owner of the photograph. C D

[16] Those rulings in the above cases are principle of law which can be adopted and followed in other cases where the issue is the same ie compliance or non-compliance of s 42 of the Act and the effect of non-compliance with the pre-requisite of the section in question. We fully endorsed the said principle on the issue in question. E

[17] In the present case, it must be stressed that it is mandatory for the respondent to exhibit and annex a true copy of the works in question to the statutory declaration. The copy must be certified to be a true copy of the works. In the said statutory declaration (at para 3) the deponent states that 'A copy of the works is now produced and marked collectively as exh A.' The deponent does not state that the copy of the works annexed thereto *is a true copy thereof*. There is no indication in the statutory declaration to confirm or to certify that the copy of the works annexed thereto was a true copy of the works in question. The effect is that the said statutory declaration has failed to convince the court that the copy annexed was a true copy and that the requirement under sub-s (1)(a)(iii) of s 42 of the Act has been complied with. F G

[18] The court is left in doubt as to the truth of the copy of the works annexed. It is more so when all the exhibits annexed or exhibited to the said statutory declaration do not have the endorsement of or certification by the commissioner for oath. A statutory declaration is similar to an affidavit in that both documents are administered on oath; therefore by virtue of the oath all exhibits, exhibited or annexed to those documents must be identified and marked by the commissioner for oath as the exhibits to the declaration. Order 41 r 11(2) of the Rules of Court 2012 clearly provides that 'any exhibit to an affidavit shall be identified by a certificate of the person before whom the H I

- A affidavit is sworn; the certificate shall be entitled in the same manner as the affidavit'. Failure to comply with this provision may lead to the exhibits annexed as invalid and not to be admitted as evidence. The said exhibits cannot form part of the statutory declaration.
- B [19] This is what actually happened in the present case where the said statutory declaration as well as the copy of the copyright works annexed thereto were only placed in Part C of the bundles of documents. (Part C contains documents where the authenticity and the contents of the documents are disputed and not agreed upon by the parties). Surprisingly enough, those
- C documents were not even tendered and produced in court when the maker or deponent ('PW1') gave evidence in court. They remained as disputed documents in Part C of the bundle of documents until the end of the trial.
- D [20] The admission of the statutory declaration as prima facie evidence under s 42 of the Act is a great advantage accorded by the Act to the plaintiff (respondent in the present appeal) to establish his claim over ownership of the copyright in question by establishing facts that at the time specified therein, copyright subsisted in such work and that the person named therein is the
- E owner of the copyright. As prima facie evidence, it will suffice to establish a particular fact or contention, if not balanced or outweighed by other evidence (see: *Halsbury's Laws of England*, (4th Ed), Vol 17 at p 22 para 28). Once operative, the burden then shifts to the defendants (appellants in the present appeal) to displace the presumption. It is a real aid to the plaintiff in his claim
- F for infringement of copyright suit. However, in order to get the benefit of the section, the plaintiff must or shall comply with all the necessary requirements under the said section, namely:
- G (a) the affidavit or statutory declaration must be made before any person having authority to administer oath;
- (b) it must be made by or on behalf of any person claiming to be the owner of the copyright;
- (c) a true copy of the work must be annexed to the affidavit or declaration;
- H and
- (d) if the deponent or maker of the affidavit is authorised to act on behalf of the owner of the copyright, he is required to produce such authorisation in writing (s 42(2) of the Act).
- I [21] If the plaintiff fails to comply with any one or more of the above requirements, the affidavit or statutory declaration in question cannot be accepted as admissible prima facie evidence in the proceedings or otherwise the plaintiff will get an unfair advantage or undue benefit not stipulated by the section.

[22] As stated earlier, we find that the said statutory declaration affirmed by Ms Tan May Yee on 15 November 2011 has failed to comply with requirement (c) ie that there was no certification that the copy of the work annexed thereto was the true copy of the work; and the effect is that a true copy of the works was not annexed thereto, as required under sub-s (1)(a)(iii) of s 42. The failure to comply with the said prerequisite of the section, rendered the affidavit or statutory declaration defective and invalid for the purpose of s 42. Therefore there was no prima facie evidence to show that the respondent (the plaintiff) was the owner of the copyright works.

[23] As s 42 affidavit or statutory declaration is however not the only mode of proving ownership and subsistence of copyright. The respondent (the plaintiff) can still proceed to do so by calling witnesses to testify in court during trial and to produce all the relevant documents including the original or true copy of the works in question. For this purpose the respondent called the maker of the statutory declaration (PW1) who claimed to be the author of the said works. However the relevant documents were not tendered, not produced and not marked as an exhibit through PW1 throughout the trial. The effect is that the original or true copy of the copyright works which was the subject matter of the respondent's claim against the appellants was not admitted as evidence in the proceeding. The copy of the documents (not certified to be a true copy) was left untouched in Part C of the bundles of documents where the contents and authenticity are disputed.

[24] The appellants (the defendants) in their statement of defence had clearly disputed the fact that the respondent (the plaintiff) was the owner of the said works, as those works are not original and can be obtained in websites and books which are accessible to the public. Therefore, the respondent (the plaintiff) was not caught by surprise on the issue. The respondent should have made effective efforts to provide sufficient proof in evidence to show that it was the owner of the said works, either by way of a valid affidavit or statutory declaration under s 42 of the Act or by calling material witnesses to testify in court during trial and produce all the relevant documents in relation to the works in question. In the present case, the respondent (the plaintiff) had failed to discharge that burden of proof. The effect is that there was no evidence to prove that the respondent (the plaintiff) was the owner of the said works. Consequently there was also no evidence to show that the said works were original in nature. The respondent's claim against the appellants must therefore fall.

[25] The original or true copy of the copyright works must form part of evidence during trial. By leaving the documents in Part C of the bundles of documents as disputed documents and not produced in court during trial, the documents are not in evidence. It is insufficient just to make the documents

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A available for inspection throughout the trial as suggested by the learned judge in her grounds of judgment. The documents must be properly tendered and produced as admissible evidence in court during trial.

CONCLUSION

B [26] Based on the above considerations, we are of the view that the learned judge had erred in her decision to admit the statutory declaration tendered by the respondent (the plaintiff) under s 42 of the Copyright Act 1987 and to allow the respondent's claim against the appellants. The error is of such a nature
C that it warrants our interference at the appellate stage. We therefore set aside the said decision.

D [27] We therefore allow the appeal with costs of RM20,000 here and below, to the appellants. We also make an order that the deposit be refunded to the appellants.

Appeal allowed with costs of RM20,000.

Reported by Kanesh Sundrum

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